

## **INTRODUCTION**

Providing affordable housing is a constitutional obligation, required by the Fair Housing Act of 1985 (FHA). The law recognizes that every New Jersey municipality shall provide “a realistic opportunity for a fair share of its region’s present and prospective needs for housing low and moderate income families”. The FHA made the Housing Element a mandatory part of the municipal master plan and also required the preparation of a Fair Share Plan describing how the goals of the Housing Element would be achieved.

The FHA directs the New Jersey Council On Affordable Housing (COAH) to provide regulations that allow municipalities to prepare a comprehensive planning and implementation response to the constitutional obligation to provide a realistic opportunity for the provision of affordable housing. COAH is directed to review the municipal Housing Element and Fair Share Plan and is empowered to grant substantive certification.

Since the Planning Board adopted and the Borough endorsed a new Housing Element and Fair Share Plan in December 2005, there have been a number of significant events:

- (1) On May 6, 2008, COAH adopted comprehensive new round three regulations;
- (2) On May 6, 2008, COAH proposed amendments to the round three regulations it adopted that day;
- (3) By letter dated May 28, 2008, COAH’s Executive Director instructed municipalities to use the adopted regulations, along with the proposed amendments, as a guideline even though COAH had not yet adopted the regulations; and
- (4) On July 17, 2008, Governor Corzine signed the so-called Roberts Bill into law, which amended the Fair housing Act so as to eliminate RCAs as a compliance technique and made certain other changes.

As a result of the events described above, the framework for the December 2005 Plan has changed. The new laws have changed the fair share responsibilities of the Borough. Therefore, the Borough must revisit its approach to compliance. The within plan sets forth a new approach consistent with the new laws adopted by the Legislature and COAH as well as the proposed amendments COAH has directed municipalities to utilize.

### ***The 2004 Regulations***

By way of background, on December 20, 2004, the first version of the third round substantive and procedural rules became effective. These rules used a methodology known as growth share, to calculate the municipality’s new construction obligation for the third housing cycle based on actual growth occurring in the municipality. COAH’s first version of its round three regulations assigned a one unit obligation for every eight market units projected and for every 25 jobs projected for a 10 year period between January 1, 2004 and January 1, 2014. These rules also required municipalities to address their indigenous need and their new construction obligations for the first and second

housing cycles, Thus, the regulations established a cumulative obligation, covering a period of need from 1987 to 2014 and consisting of the following three components:

- The rehabilitation share (2000)
- The prior round obligation (1987-1999)
- Growth share (1999-2014)

The rehabilitation share is a measure of old, crowded, deficient housing that is occupied by low- and moderate-income households. The rehabilitation share is provided by COAH and based on 2000 Census data.

The prior round obligation is the municipality's new construction obligation from 1987 to 1999. The unmet balance of the previous obligation must be satisfied as part of the third round fair share plan. COAH has recalculated the obligations from the previous rounds based on data from the 2000 Census.

The growth share obligation is the obligation extrapolated from the projected number of new market units and new jobs projected to come into existence in a ten year period as described above.

### ***The May 6, 2008 Regulations***

In its regulations COAH adopted on May 6, 2008, COAH increased the growth share requirement from one affordable unit for every eight (8) market units, to one affordable unit for every four (4) market units. The growth share number related to employment also increased from one affordable unit for every twenty-five (25) jobs created, to one affordable unit for every sixteen (16) jobs created.

In its regulations COAH adopted on May 6, 2008, COAH also increased the period for which a municipality projects growth. More specifically, in contrast to the 2004 regulations , which extrapolated the growth share from projections of growth over a 10 year period; the new regulations extrapolate growth based upon a projection of growth over **a 15-year period** spanning January 1, 2004 through December 31, 2018.

The new regulations authorize municipalities to rely upon their projections of growth for purposes of planning. However, if the actual growth exceeds the projected growth, the new regulations require that municipalities address the higher growth share extrapolated from the actual growth.

### ***The Amendments to the May 6, 2008 Regulations***

COAH received thousands of comments in response to its proposal of the regulations it adopted on May 6, 2008. Many of those comments challenged the reliability of the information COAH utilized to extrapolate the growth share of various municipalities. COAH, therefore, utilized new data in conjunction with the regulations it proposed on May 6, 2008.

As COAH went through the regulatory process described above, the Borough of Avalon, retained Planning Design Collaborative, LLC to assist the Borough with the preparation of a Housing Element and Fair Share Housing Plan. Planning Design Collaborative, LLC prepared the Housing Element and Fair Share Plan the Planning Board adopted in December 2005 and also prepared the within plan. This plan presents the background data required by the applicable provisions of COAH and the New Jersey Municipal Land Use Law (MLUL). The first portion of this document contains background data required by COAH, including the obligatory 2000 census data. The second portion of this document sets forth the Fair Share Plan in the prescribed format.

## **COMMUNITY OVERVIEW**

The Borough of Avalon is located in the middle-eastern portion of Cape May County and is surrounded by the Atlantic Ocean to the east; Stone Harbor to the south; the intercoastal waterway, salt marshes, and Middle Township to the west; and Townsend's Inlet and Sea Isle City to the north.

Avalon Borough can be characterized as a completely developed village that is experiencing growth through redevelopment. Residential structures account for the majority of the land use within the Borough with a small portion of the Borough dedicated to commercial uses.

## **INVENTORY OF MUNICIPAL HOUSING STOCK**

This section of the Housing Element provides an inventory of Borough of Avalon's housing stock. COAH requires the municipal housing inventory to identify the local housing stock relative to the number of year-round and seasonal units, housing age, housing conditions, purchase and rental value and occupancy characteristics. Additionally, the inventory includes the number of affordable units available to low and moderate income households and the number of substandard housing units capable of being rehabilitated.

### **Number of Housing Units**

The 2000 Census reveals the total number of housing units in Borough of Avalon is 5,281 units, which is a 4.8 percent increase from the 5,026 units indicated in the 1990 Census. The number of occupied units increased from 838 units in 1990 to 1,045 units in 2000 while the number of seasonal units has increased from 3,577 units in 1990 to 3697 units in 2000. Between 1990 and 2000 the number of vacant units in Borough of Avalon decreased by 13.3 percent. Table No. 1 outlines these findings.

**TABLE NO. 1**  
**HOUSING UNIT CHARACTERISTICS**  
**AVALON BOROUGH, NJ**

CHARACTERISTICS	1990	2000	CHANGE (%)
Total Units	5,026	5,281	+4.8
Total Vacant Units	4,188	4,236	+1.1
Total Seasonal Units	3,577	3,697	+3.2
Total Vacant Units	611	539	-13.3
Total Occupied Units	838	1,045	+19.8
Owner-Occupied Units	665	908	+26.8
Renter-Occupied Units	173	137	-26.2

Source: US Census Bureau; 1990 & 2000

### **Housing Age**

Table No. 2 summarizes the relative age of housing in the Borough of Avalon. The table indicates the peak housing construction period of the Borough as pre-1980's. Housing constructed from 1990 to 2000 totals 388 dwelling units, which is approximately 7.3 percent of the total number of units.

**TABLE NO. 2**  
**YEAR STRUCTURE BUILT**  
**AVALON, NEW JERSEY**

YEAR CONSTRUCTED	NUMBER	PERCENT (%)
1999 to 2000	23	0.4
1995 to 1998	85	1.6
1990 to 1994	280	5.3
1980 to 1989	1106	20.9
1970 to 1979	1452	27.5
1960 to 1969	1146	21.8
1940 to 1959	625	11.8
Pre – 1940	564	10.7
Total	5,281	100.0

Source: US Census Bureau; 2000.

### **Housing Conditions**

Occupancy per room is reported in Table No. 3. It appears that households in the Borough maintain adequate occupancy per room.

**TABLE NO. 3  
OCCUPANTS PER ROOM  
OCCUPIED UNITS  
AVALON, NEW JERSEY**

OCCUPANTS PER ROOM	1990	2000
1.00 person or less	834	1,045
1.01 – 1.50 persons	4	-
1.51 persons or more	0	-
Total	838	1,045

Source: US Census Bureau; 2000

Table No. 4 summarizes house heating fuel in the Borough. The 2000 Census indicates that utility gas used in the majority of dwellings.

**TABLE NO. 4  
HOUSE HEATING FUEL  
AVALON, NEW JERSEY**

TYPE OF HEATING FUEL	OCCUPIED UNITS	PERCENT (%)
Utility gas	749	71.7
Bottled, tank, or LP gas	25	2.4
Electricity	251	24.0
Fuel oil, kerosene, etc.	17	1.6
Coal or coke	-	-
Wood	3	0.3
Solar energy	-	-
Other fuel	-	-
No fuel used	-	-
Total	1,045	100.0

Note: (-) denotes zero or rounds to zero

Source: US Census Bureau; 2000

### **Purchase and Rental Values**

The distribution of housing costs of owner-occupied housing units is summarized in Table No. 5. The median value of such units was \$285,700 in 1990 and \$443,300 in 2000. The following Table No. 6 outlines housing information for renter-occupied housing. The median monthly rent has increased from \$661 in 1990 to \$719 in 2000.

**TABLE NO. 5**  
**SPECIFIED OWNER-OCCUPIED HOUSING UNITS BY VALUE**  
**AVALON, NEW JERSEY**

VALUE	1990	PERCENT (%)	VALUE	2000	PERCENT (%)
Less than \$75,000	7	1.2	Less than \$50,000	-	-
\$75,000 – \$99,999	4	0.7	\$50,000 - \$99,999	-	-
\$100,000 - \$124,999	10	1.8	\$100,000 - \$149,999	32	3.9
\$125,000 - \$149,999	17	3.0	\$150,000 - \$199,999	34	4.1
\$150,000 - \$174,999	23	4.1	\$200,000 - \$299,999	146	17.7
\$175,000 - \$199,999	43	7.6	\$300,000 - \$499,999	293	35.5
\$200,000 - \$249,999	103	18.3	\$500,000 - \$999,999	262	31.8
\$250,000 - \$299,999	105	18.6	\$1,000,000 or more	58	7.0
\$300,000 - \$399,999	106	18.8			
\$400,000 - \$499,999	51	9.1			
\$500,000 or more	95	16.8			
<b>Total</b>	564	100.0	<b>Total</b>	825	100.0
<b>Median Value</b>	<b>\$285,700</b>		<b>Median Value</b>	<b>\$443,300</b>	

Note: (-) denotes zero or rounds to zero

Source: US Census Bureau; 1990 & 2000

**TABLE NO.6**  
**SPECIFIED RENTER-OCCUPIED HOUSING UNITS**  
**AVALON, NEW JERSEY**

RENT	1990	PERCENT (%)	RENT	2000	PERCENT (%)
Less than \$100	-	-	Less than \$200	-	-
\$100-\$149	-	-	\$200 - \$299	-	-
\$150 - \$199	-	-	\$300 - \$499	15	<b>11.0</b>
\$200 - \$299	3	1.7	\$500 - \$749	45	<b>33.1</b>
\$300 - \$399	7	4.0	\$750 - \$999	36	<b>26.5</b>
\$400 - \$499	14	8.1	\$1000 - \$1,499	-	-
\$500 - \$599	32	18.5	\$1,500 or more	9	<b>6.6</b>
\$600 - \$699	24	13.9			
\$700 - \$749	14	8.1			
\$750 - \$999	22	12.7			
\$1,000 or more	22	12.7			
No cash Rent	35	20.3	No cash Rent	31	<b>22.8</b>
Total	173	100.0	Total	136	<b>100.0</b>
Median Value	\$661		Median Value	\$719	

Note: (-) denotes zero or rounds to zero

Source: US Census Bureau; 1990 & 2000

### **Occupancy Characteristics and Types**

A variety of residential development exists in Avalon. The majority of housing structures consist of single-family homes, which comprise approximately 65.4 percent of the total dwelling units. The second largest number of housing structures is comprised of multi-family residences. Table No. 7 outlines units in structure from the 2000 Census.

**TABLE No. 7  
UNITS IN STRUCTURE  
AVALON, NEW JERSEY**

UNITS IN STRUCTURE	NUMBER	PERCENT
One Unit Detached	3,452	65.3
One Unit Attached	473	9.0
2 Units	728	13.8
3 or 4 Units	164	3.1
5 to 9 Units	222	4.2
10 to 19 Units	64	1.2
20 or More Units	178	3.4
Mobile Units	-	-
Boat, RV, van, etc.	-	-
Total	5,281	100.0

Note: (-) denotes zero or rounds to zero

Source: US Census Bureau; 2000

The number of bedrooms per dwelling unit is reported in Table No. 8. The 2000 Census indicated 14.8 percent of dwelling units, or 782 units contained five or more bedrooms.

**TABLE NO. 8  
NUMBER OF BEDROOMS IN HOUSING UNITS  
OCCUPIED UNITS  
AVALON, NEW JERSEY**

BEDROOMS	NUMBER	PERCENT (%)
None	-	-
One	73	1.4
Two	648	12.3
Three	2,093	39.6
Four	1,685	31.9
Five or more	782	14.8
Total	5281	100

Source: US Census Bureau; 2000



Table No. 9 provides data concerning kitchen and plumbing facilities. As indicated by the numbers from the 1990 Census data and 2000 Census data, there are 8 dwellings lacking kitchen facilities and no dwellings lacking plumbing facilities in the Borough of Avalon.

**TABLE NO. 9  
KITCHEN AND PLUMBING FACILITIES  
AVALON, NEW JERSEY**

FACILITIES	1990		2000	
	Number	Percent (%)	Number	Percent (%)
Kitchen Facilities:				
Lacking Complete Facilities	-	-	8	0.2
With Complete Facilities	5018	100	5,273	99.8
Plumbing Facilities				
Lacking Complete Facilities	4	0.1	-	-
With Complete Facilities	5022	99.9	5,281	100
Total Housing Units	5026		5,281	

Note: (-) denotes zero or rounds to zero

Source: US Census Bureau; 1990 & 2000

#### **Number of Units Affordable to Low and Moderate Income Households**

The 2000 US Census recorded a median family income of \$59,196, which is approximately 37 percent greater than the \$37,097 reported in 1990. Based upon the standard that moderate income households would represent no more than 80 percent of this number, 1990 moderate income levels would be no higher than \$29,677. Low income households are defined as earning 50 percent of the median income. Low income households in the Borough of Avalon in 1990 would have earned \$18,549. In 2000, moderate income levels would be no higher than \$47,357, while low income levels would be \$29,598.

With the exception of adjustments for family size and using a rule of thumb of two times income for sales housing and one-quarter yearly income for rental housing, housing costs and rental costs for 2000 were calculated for Borough of Avalon. Based on Borough of Avalon Census data, moderate income housing costs were determined to be \$94,714 for sale housing. This in effect suggests that no housing units in the Borough could be described as in the price range of moderate income households. Moderate income renters could afford to spend \$986 per month on housing. Low income housing costs were determined to be \$59,196, of which no housing units in Borough of Avalon were available to low income families. Low income renters could afford to spend \$617 per month on housing.

## POPULATION ANALYSIS

The COAH regulations call for an analysis of the community's socio-economic characteristics, including an assessment of population size, rate of population growth, age and gender characteristics, income levels, and household size. Each of these items is described in this section of the report.

### **Population Size**

The total population in Borough of Avalon is reported as 2,143 persons in the 2000 Census. The population has increased from the 1809 persons recorded in 1990.

### **Rate of Population Growth**

The population growth rate from 1970 to 2000 is summarized in Table No. 10. From 1970 through 1980, Borough of Avalon experienced a sizable increase in population.

**TABLE NO. 10  
RATE OF POPULATION GROWTH  
AVALON, NEW JERSEY**

YEAR	POPULATION	CHANGE (NO.)	CHANGE (%)
1970	1283	-	-
1980	2162	879	<b>41</b>
1990	1809	-353	<b>-19.5</b>
<b>2000</b>	2143	<b>334</b>	<b>15.5</b>

Note: (-) denotes zero or rounds to zero

Source: US Census Bureau, 1990 & 2000

1996 Avalon Housing Element; 2002 Reexamination Report

### **Age, Gender and Race Characteristics**

The following table provides age and gender characteristics in Avalon.

**TABLE NO. 11  
AGE AND GENDER CHARACTERISTICS  
AVALON, NEW JERSEY**

<b>AGE GROUP</b>	<b>MALE</b>	<b>FEMALE</b>	<b>TOTAL</b>	<b>PERCENT (%)</b>
Under 5	35	26	61	<b>2.8</b>
5 – 9	51	39	90	<b>4.2</b>
10 – 14	53	48	101	<b>4.7</b>
15 – 19	39	28	67	<b>3.1</b>
20 – 24	26	20	46	<b>2.1</b>
25 – 29	32	25	57	<b>2.7</b>
30 – 34	43	46	89	<b>4.2</b>
35 – 44	94	110	204	<b>9.5</b>
45 – 54	156	158	314	<b>14.7</b>
55 – 59	103	111	214	<b>10.0</b>
60 – 64	101	98	199	<b>9.3</b>
65 – 74	180	197	377	<b>17.6</b>
75+	130	194	324	<b>15.1</b>
Total	1,043	1,100	2,143	<b>100</b>
Median Age	54.5	57.3	56.0	

Source: US Census Bureau: 2000

The Borough's racial composition is outlined in Table No. 12. White population represents 99 percent of the residents. Non-white population consists of 0.1 percent of the community.

**TABLE NO. 12  
RACIAL COMPOSITION  
AVALON, NEW JERSEY**

<b>RACE</b>	<b>NUMBER</b>	<b>PERCENT (%)</b>
White	2,115	98.7
Black or African American	3	0.1
Other	14	0.7
Two or more races	11	0.5
Total	2143	100

Source: US Census Bureau: 2000

### **Income Level**

Table No. 13 outlines household income by income category. The median household income for 2000 was \$59,196 which is a 37 percent increase compared to the 1990 median household income of \$37,097.

**TABLE NO. 13  
HOUSEHOLD INCOME  
BOROUGH OF AVALON, NEW JERSEY  
1999 HOUSEHOLDS**

INCOME CATEGORY	NUMBER	PERCENT
<\$10,000	15	1.4
\$10,000 - \$14,999	47	4.5
\$15,000 - \$24,999	114	11.0
\$25,000 - \$34,999	112	10.8
\$35,000 - \$49,999	157	15.1
\$50,000 - \$74,999	197	18.9
\$75,000 - \$99,999	98	9.4
\$100,000 - \$149,999	91	8.7
\$150,000 - \$199,999	57	5.5
\$200,000+	153	14.7
Total	1,041	100
Median Household Income	\$59,196	

Source: US Census Bureau: 2000

### **Household Size**

The Borough's average household size is 2.05 persons per household according to the 2000 census. The Borough of Avalon experienced an increase in both the number of households and the population size. Borough of Avalon's average household size is summarized in Table No. 14.

**TABLE NO. 14  
AVERAGE HOUSEHOLD SIZE  
AVALON, NEW JERSEY**

YEAR	TOTAL POPULATION	NUMBER OF HOUSEHOLDS	HOUSEHOLD SIZE
1990	1809	838	2.16
2000	2,143	1,045	2.05

## EMPLOYMENT CHARACTERISTICS AND TRENDS

The COAH regulations require an analysis of the existing employment characteristics of the community, including current and historic trends of employment in the municipality. These items are addressed below in detail.

### **Employment Trends**

Employment data from 1997 to 1999 is reported in Table No. 15. The data indicates that the number of private jobs in Avalon has been increasing while the number of government jobs has remained constant. Private weekly wages show an increase while government weekly wages have only increased from \$509 to \$559 for the three-year period.

**TABLE NO. 15  
COVERED EMPLOYMENT  
AVALON, NEW JERSEY**

YEAR	NUMBER OF JOBS	WEEKLY WAGE
1997		
Private	148	\$362.00
Government	3	\$509.00
1998		
Private	157	\$412.00
Government	3	\$551.00
1999		
Private	167	\$568.00
Government	3	\$559.00

Source: State of New Jersey, Department of Labor, Office of Labor Planning & Analysis, Trends in Employment and Wages Covered by Unemployment Insurance (1997-1999)

**Employment Characteristics and Occupation Patterns of the Community's Residents**

Table No. 16 summarizes employment status of persons at the age of 16 and over by gender. Approximately 47.1 percent of the residents in Borough of Avalon are participating in the civilian labor force, of which 97 percent are employed. An overall unemployment rate is relatively low at 3.3 percent.

**TABLE NO. 16  
EMPLOYMENT STATUS  
OF PERSONS 16 AND OVER BY GENDER  
AVALON, NEW JERSEY**

<b>EMPLOYMENT STATUS</b>	<b>MALE</b>	<b>FEMALE</b>	<b>TOTAL</b>
Armed Forces	6	-	<b>6</b>
Civilian Labor Force	504	380	<b>884</b>
Employed	489	366	<b>855</b>
Unemployed	15	14	<b>29</b>
(Unemployment Rate: %)	3.0	3.7	<b>3.3</b>
Not in Labor Force	382	603	<b>985</b>
Total	892	983	<b>1,875</b>
(Participation Rate: %)	63.2	38.7	<b>50.3</b>

Note: (-) denotes zero or rounds to zero

(\*) denotes information not provided

Source: US Census Bureau: 2000

Table No. 17 outlines resident employment by occupation for employed persons at the age of 16 and over. In 2000, the majority of resident employment is classified as sales, office occupations, management, professional and related occupations.

**TABLE NO. 17**  
**EMPLOYED PERSONS 16 AND OVER BY OCCUPATION**  
**AVALON, NEW JERSEY**

<b>INDUSTRY</b>	<b>NUMBER</b>	<b>PERCENT</b>
Management, professional and related occupations	355	41.5
Service occupations	109	12.7
Sales and office occupations	257	30.1
Farming, fishing, and forestry occupations	5	0.6
Construction, extraction and maintenance occupations	73	8.5
Production, transportation, and material moving occupations	56	6.6
<b>Total</b>	<b>855</b>	<b>100</b>

Source: US Census Bureau; 2000

**BOROUGH OF AVALON**  
**FAIR SHARE PLAN**

Avalon Borough's fair share obligation is the sum of the rehabilitation share (2000), the remaining prior round obligation (1987-1999) and the growth share (2004-2018).

<b>(a) Rehabilitation Share (2000) .....</b>	<b>0</b>
<b>(b) Recalculated Obligation (234).....</b>	<b>234</b>
<b>(c) Growth Share.....</b>	<b>0</b>
<b>TOTAL FAIR SHARE OBLIGATION (Unmet Need).....</b>	<b>234</b>
<b>ACTUAL NEED</b>	
<b>(2004-2008: 181 Residential C.O's).....</b>	<b>45</b>

In accordance with N.J.A.C. 5:97-2.5, the fair share plan must be evaluated every two years to determine the viability of the fair share plan as it relates to the actual growth that occurred and the corresponding affordable housing obligation. The Borough experienced a residential growth of 448 units and non-residential growth of 0 jobs from 2004 – April of 2008. However, the Borough requests exemption of 267 units based on a proposed rule provision that permits the exemption of owner occupied housing units that were demolished and rebuilt. Enclosed as Exhibit A please find tax assessor data verifying the units that were owned for at least one year prior to the demolition. The actual growth affordable housing unit obligation is 45.

**Vacant Land Adjustment**

The Borough of Avalon requested and received a reduction in the Fair Share obligation due to a lack of vacant land in the prior cycles (1993 – 1999). The lack of vacant land in the Borough remains as the main factor in not being able to meet the affordable housing obligation for the prior rounds. The Borough of Avalon is requesting the continued adjustment of the prior round Fair Share obligation due to a lack of vacant land in the prior cycles (1993 – 1999). Due to the lack of available land capacity, the Borough cannot provide sufficient land to accommodate the affordable housing obligation. An existing land use map to display land uses of each parcel within the Borough is attached in Exhibit B. The map displays land uses in the following categories: single-family, two-four family, other multi-family, commercial, industrial, parkland, other public uses, semi-public uses and vacant land. A listing of vacant land is also provided in Exhibit C. The vacant land inventory excludes any land owned by the Borough as of January 1, 1997, land in private ownership which accommodates less than five dwelling units and parcel within the areas of the State regulated by the Division of



Coastal Resources. In addition, historically and architecturally important sites, active recreational lands and conservation, parkland and open space lands are not included in the vacant land inventory. As evidenced by the vacant land inventory, the Borough does not have sufficient land area to meet the Fair Share obligation (1993-2018) of 234 affordable housing units.

Given the fact that circumstances have not changed, the Borough formally requests that COAH provide a vacant land adjustment from the recalculated prior round obligation and any future growth share obligation. However, COAH requires municipalities that are granted a vacant land adjustment to capture affordable housing opportunities beyond the realistic development potential (RDP). Examples of mechanisms designed to capture affordable housing opportunities beyond the RDP include zoning for accessory apartments and zoning amendments that impose a development fee.

The Borough is proposing the use of accessory apartments and a development fee ordinance as mechanisms, as described above, to address the unmet need and actual growth share obligation.

### **Accessory Apartments**

**10**

The Borough of Avalon proposes to utilize accessory apartments as a method to meet the unmet need obligation. An accessory apartment is defined as “a self-contained residential dwelling unit with a kitchen, sanitary facilities, sleeping quarters, and a private entrance, which is created within an existing home, or through the conversion of an existing accessory structure on the same site, or by an addition to an existing home or accessory building.” The Borough currently permits accessory apartment uses on the second and third floor of structures within the Business (B-1) zoning district. The B-1 zoning district provides opportunities for the conversion of market rate units to units affordable to low income households and the creation of new affordable accessory apartments. All parcels are serviced by public sewer and water systems. All parcels are serviced by public sewer and water systems.

The Borough is committed to bond a minimum of \$20,000 per unit for moderate income households and \$25,000 per unit for low income households for a total subsidy of \$225,000 to help create affordable accessory apartments for moderate income households.

### **Development Fee Ordinance**

The Borough will adopt a development fee ordinance that may permit the collection of a residential development in accordance with COAH regulations and of the equalized value for non-residential development as determined by the State of New Jersey. The spending plan shall be approved by COAH prior to the distribution of funds. A draft development fee ordinance is provided in Exhibit D.